

ACTION INL-00

INFO	LOG-00	AID-00	AMAD-00	CG-00	CIAE-00	CTME-00	DEAE-00
	DNI-00	DINT-00	DODE-00	EAP-00	OIGO-00	FBIE-00	UTED-00
	FOE-00	DIAS-00	FRB-00	TEDE-00	INR-00	IO-00	L-00
	ARMY-00	NSAE-00	ISN-00	NSCE-00	OIC-00	OMB-00	PER-00
	PM-00	GIWI-00	P-00	ISNE-00	SP-00	STPD-00	TRSE-00
	NCTC-00	FMP-00	CBP-00	PMB-00	G-00	SAS-00	FA-00
	/000W						

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P 060013Z NOV 07  
FM AMEMBASSY CANBERRA  
TO SECSTATE WASHDC PRIORITY 8513  
INFO AMCONSUL MELBOURNE PRIORITY  
AMCONSUL PERTH PRIORITY  
AMCONSUL SYDNEY PRIORITY

UNCLAS CANBERRA 001610

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DEPARTMENT FOR INL AND EAP/ANP

E.O. 12958: N/A

TAGS: SNAR AS

SUBJECT: AUSTRALIA: 2007-2008 INTERNATIONAL NARCOTICS  
CONTROL STRATEGY REPORT (INCSR), PART I

REF: STATE 136782

#### 11. SUMMARY

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Australia is a committed partner in international efforts to combat illicit drugs. Domestically, Australian government policies are designed to address fully both the law enforcement needs and the demand reduction sides of the equation. Australian law enforcement agencies work closely with their U.S. counterparts in Australia and the United States, and have a robust and growing law enforcement liaison structure in numerous overseas posts where they also work closely with U.S. counterparts.

#### 12. STATUS OF COUNTRY

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Cannabis remains the most abused drug in Australia but law enforcement and health officials continue to be concerned about the increased use of crystal methamphetamine and cocaine. The trend towards the use of crystal methamphetamine ('ice') is of particular concern to Australian law enforcement given its destructive effect on users and the public. Law enforcement agencies throughout Australia continue to seize greater amounts of methamphetamine precursor chemicals and have shut down sophisticated clandestine laboratories with increased frequency. MDMA is still very prevalent in the major cities throughout Australia although a recent study indicates use may be falling. Large shipments are seized entering Australia from Europe and Asia, and law enforcement officials continue to encounter sophisticated MDMA production laboratories in the Sydney and Melbourne areas. Cocaine use appears to be increasing throughout Australia. The number of cocaine seizures has increased, with a majority of the seizures involving couriers and smaller amounts, but there have also been large shipments seized from Canada, Hong Kong and Chile. Cocaine use in Australia remains the drug of choice for the affluent due to the high price (US\$277 (AUD\$300)/gram to US\$92-115,000 (AUD\$100-125,000)/kilogram) and the unsteady supply. (Note: Throughout this report, figures are in U.S. dollars, calculated at an exchange rate of A\$1 equals U.S.\$0.92. End note.) Its use has been increasing across all socio-economic levels. Australian media are describing crystal methamphetamine as the "new heroin," a reference to the heroin abuse "epidemic" which swept through Australia in the late 1990's and early 2000's. The heroin "epidemic" resulted in a significant increase in heroin overdoses and deaths. A

variety of factors contributed to a subsequent decrease in heroin availability and many heroin users began utilizing other drugs. Of note, a recent annual drugs survey reported this downward trend in heroin may not be continuing as many abusers of crystal methamphetamine may be switching back to heroin due to the government's high profile campaign against crystal methamphetamine.

### 13. COUNTRY ACTIONS AGAINST DRUGS IN 2007

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**Policy Initiatives:** In an effort to address the increase in the numbers and sophistication of clandestine laboratories, changes in legislation have limited the availability of pseudoephedrine. All pseudoephedrine products are now stored behind the pharmacy counters, and products with high concentrations of pseudophedrine also require a doctor's prescription. In response to this legislation, many organized crime groups have undertaken large scale imports of ephedrine and pseudoephedrine products from locations throughout Asia, and most recently Africa. Australian law enforcement officials seize large illicit shipments of pseudoephedrine on a regular basis.

With the view that stable governments in the regions are less likely to be utilized by drug trafficking groups in establishing drug production facilities, the Australian Government has strengthened the AFP's capacity to respond to international crises, particularly within the region. The AFP's International Deployment Group (IDG) has been increased by about 400 personnel, taking the total to 1200. This has been the largest single increase in AFP staff since the force was established in 1979. The extra resources will allow the IDG to establish a 150-strong Operational Response Group that is ready to respond at short notice to emerging law and order issues in the region and to undertake stabilization operations. The AFP's international network currently has 86 officers located in 31 posts in 26 countries worldwide. Many of these posts have close working relationships with area DEA Country Offices.

**Law enforcement efforts:** Responsibility for counternarcotics efforts is divided among the Federal Government, primarily the Australian Federal Police (AFP), the Australian Customs Service (ACS), the Australian Crime Commission (ACC), and the Therapeutic Goods Administration (TGA), in addition to state/territorial police services. It also has a large and growing international deployment of AFP overseas liaison officers focusing on transnational crime, including international drug trafficking. Australian law enforcement has made it a priority to identify and dismantle clandestine laboratories whose numbers appear to have stabilized after several years of drastic increases. In the period of July 2006/2007, a total of 333 clandestine labs were seized in Australia. For the period of July 2005/2006, there were 390 clandestine labs seized, and in 2004/2005, 381 clandestine labs seized. Although a majority of the seized laboratories are unsophisticated, small capacity operations, there has been an increase in the number of sophisticated methamphetamine/crystal methamphetamine "superlabs" seized throughout the country. Law enforcement authorities continue to report the seizure of large-scale active and inactive MDMA labs in the country. For July 2006/2007, 17 MDMA labs were seized, up from 7 MDMA labs seized during the July 2005/2006 period. During the 2005/2006 period, some of the MDMA clandestine labs were 'superlabs' .

**Corruption:** The federal agencies rarely are targets for allegations of corruption and misconduct. The Australian Crime Commission (ACC), the Australian Federal Police (AFP), the internal affairs sections of State Police departments, and legislative-established commissions actively investigate and pursue corruption or misconduct charges. Generally, investigations involving public corruption are reported by the media. As a matter of policy, the Australian government does not encourage or facilitate the illicit production or

distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Likewise, no senior official of the federal government is known to engage in, encourage or facilitate such illicit production, or to launder proceeds of illegal drug transactions, to post's knowledge.

**Agreements and treaties:** Australia is a signatory to international counter-drug treaties and conventions that include the 1961 U.N. Single Convention (amended in 1972), the 1971 U.N. Convention on Psychotropic Substances, the 1988 Convention against the Illicit Traffic in Narcotic Drugs and Psychotropic Substances, and the U.N. Convention against Transnational Organized Crime. Australia also is actively involved in many international organizations that investigate drug trafficking. Australia acts as co-chair in Asia-Pacific Group on money laundering, is a member of the Financial Action Task Force, INTERPOL, the Heads of Narcotics Law Enforcement Association (HONLEA), the International Narcotics Control Board, the South Pacific Chiefs of Police, the International Drug Enforcement Conference (IDEC) and the Customs Cooperation Council among others.

**Cultivation/production:** The licit cultivation and processing of opium poppies in Australia is strictly confined to the Australian state of Tasmania. Tasmania is considered one of the world's most efficient producers of poppies with the highest yield per hectare of any opiate producing country. With an annual average crop yield of approximately 2.5 tons per hectare, Tasmania supplies around one half of the world's legal medicinal opiate market. The Australian poppy industry utilizes the Concentrated Poppy Straw process, which processes the dry poppy plant material 'poppy straw' for use in the production of codeine and thebaine. The Australian Federal Government and the Tasmanian State Government share responsibility for control of the poppy industry. During the growing and harvesting season, crops are regularly monitored by the Poppy Advisory and Control Board field officers and any illegal activity is investigated by the Tasmania Police Poppy Task Force. The export to the U.S. of Australia's narcotic raw material (NRM) is regulated by the '80/20 rule' which limits 80% of the NRM market to traditional suppliers (India and Turkey) while the remaining 20% is shared by non-traditional suppliers (Australia, France, Hungary, Poland and Yugoslavia). There were approximately 1000 poppy growing licenses granted for the 2006/2007 growing season in which 13,000 hectares were under poppy cultivation.

Domestically produced marijuana (cannabis) continues to be Australia's most abused illicit drug. Cannabis cultivation and distribution is not dominated by any group and appears to be organized on an entrepreneurial basis. Sophisticated hydroponic grow sites of various sizes have been seized throughout the country. Use of hydroponic grow sites continue to be the preferred method of the more advanced marijuana trafficking organizations. There is still no evidence indicating any large exportation of Australian produced marijuana but there have been instances of small amounts of Australian-produced hydroponic marijuana being transported to Asian nations for use by ex-patriate communities in those countries.

**Drug flow/transit:** The Embassy continues to receive information indicating MDMA traffickers may be utilizing Australia as a transit point for MDMA shipments to other parts of the world. These reports remain unconfirmed but the situation continues to be monitored closely by both the DEA and Australian law enforcement organizations.

**Domestic programs/Demand reduction:** The availability of treatment services for drug users remains an integral part of Australia's National Drug Strategy. There is a wide range of treatment options available throughout Australia, including detoxification, therapeutic communities, residential facilities, outpatient treatment, day programs, and self-help groups. As part of the Tough on Drug Strategy launched in 1997, the Australian government has committed substantial

resources to reducing the demand for illicit drugs throughout the country. This strategy, coupled with the activities of state/territorial agencies and non-governmental organizations, is aimed at reducing the demand for all types of drugs throughout the country. In 2001, the New South Wales government approved a heroin injection room in the Kings Cross area of Sydney. The Commonwealth of Australia government has opposed the operation of these injection rooms and is pursuing alternative harm reduction methods. To date, this safe injection room remains in operation.

#### 14. U.S. Policy initiatives and programs

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The United States undertakes a broad and vigorous program of counternarcotics activities in Australia, enjoying close working relationships with Australian counterparts at the policy making and working levels. There is an active collaboration in investigating disrupting and dismantling international illicit drug trafficking organizations. The United States and Australia cooperate under the terms of a Memorandum of Understanding that outlines these objectives. U.S. and Australian law enforcement agencies also have agreements in place concerning the conduct of bilateral investigations and the exchange of intelligence information on narcotics traffickers. Both sides continue to pursue closer relations, primarily in the area of information sharing.

**Chemical Control issues:** The Serious Drug Offenses and Other Measures Bill has strengthened the ability of law enforcement and regulatory agencies to combat the diversion of chemicals and the operation of clandestine laboratories. The legislation increased uniformity of drug offenses throughout the country, simplified prosecutions concerning precursor chemical diversion, removed legal loopholes, enhanced protection for children, and strengthened protection for businesses involved in the legitimate sale of precursor chemicals. This legislation forms an integral part of the Australian government's National Illicit Drugs Strategy.

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